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		Page 73			Page 75
01:26:49:375	1	Stoker - May 3, 2012	01:29:30:003	1	Stoker - May 3, 2012
01:26:53:880	2	identical?	01:29:30:770	2	has been previously marked as 372.
01:26:55:515	3	A. I think so.	01:29:40:847	3	MR. INFELISE: For the record, Exhibit
01:26:55:782	4	Q. Take a moment and make sure.	01:29:45:318	4	372 is a two-page document Bates numbered CITI
01:27:06:125	5	A. Yes.	01:29:49:322	5	14250375 and 376.
01:27:06:893	6	Q. All right, sir. Is it accurate to say,	01:29:58:131	6	Q. All right, sir. Have you had a chance
01:27:18:471	7	as a general matter, you did not normally suggest	01:29:59:132	7	to look at Exhibit 372?
01:27:23:276	8	specific assets for inclusion in a deal, in a CDO	01:30:00:934	8	A. I have.
01:27:26:413	9	that you were structuring?	01:30:01:668	9	Q. And it appears to be an e-mail from
01:27:27:614	10	A. That's right.	01:30:03:103	10	Mr. Khan to a Samir Bhatt, a John Popp, copies to
01:27:34:054	11	Q. Prior to the date when you forwarded the	01:30:10:844	11	Brian Stoker and Shalabh Mehrish.
01:27:37:991	12	list, Exhibit 371, to Mr. Khan, had you ever	01:30:13:313	12	Do you recall, sir, receiving this
01:27:42:229	13	previously done this, forwarded a list of names for a	01:30:14:714	13	e-mail?
01:27:45:699	14	specific CDO?	01:30:16:249	14	A. I don't recall it, but I'm sure I
01:27:59:012	15	A. Not particularly.	01:30:17:650	15	received it.
01:28:00:280	16	Q. And do you recall whether or not after	01:30:18:185	16	Q. All right. And having looked at this,
01:28:02:048	17	this date, did you ever forward a list such as this	01:30:20:086	17	does this refresh your memory concerning how you
01:28:04:884	18	to sales concerning specific names for a CDO?	01:30:22:522	18	learned that the list that you had provided Mr. Khan
01:28:11:925	19	A. Sales, not that I remember.	01:30:27:227	19	had been forwarded to Credit Suisse?
01:28:13:593	20	Q. How about to an asset manager?	01:30:30:864	20	MR. KEKER: Objection. Assumes facts
01:28:18:865	21	A. I might have sent a list to asset	01:30:32:132	21	not in evidence. This is not the same list.
01:28:20:300	22	managers along the way.	01:30:34:868	22	MR. INFELISE: We'll get there.
01:28:22:802	23	Q. Do you recall which CDO that was?	01:30:36:369	23	MR. KEKER: Well, I object on that
01:28:25:505	24	A. I don't.	01:30:38:071	24	ground. The question was you forwarded the
01:28:30:043	25	Q. Sir, isn't it the fact that the normal	01:30:40:040	25	list, and you are referring to an earlier list.
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01:28:31:311	1	Stoker - May 3, 2012	01:30:41:374	1	Stoker - May 3, 2012
01:28:31:812	2	procedure was for the manager to send you a list that	01:30:42:275	2	MR. INFELISE: All right.
01:28:34:915	3	the manager had already picked when the deal was much	01:30:44:478	3	A. I probably noticed that -- I'm sure I
01:28:37:450	4	farther along in the process?	01:30:46:513	4	noticed Samir sent this -- not Samir, Sohail sent
01:28:41:254	5	A. Right. Once we have a signed engagement	01:30:49:583	5	this to Credit Suisse.
01:28:42:822	6	letter, the manager has entered the trades. The	01:30:51:584	6	Q. All right. And if you look at the
01:28:45:191	7	managers entered those trades into a trade log and	01:30:53:653	7	second page, there are a list of -- I guess what was
01:28:47:761	8	sends that to the structuring team.	01:31:01:094	8	called -- let's call them collateral. If you compare
01:28:49:696	9	Q. I see. So did you ever learn whether or	01:31:03:930	9	that to Exhibit -- I think it was 371, which you
01:28:52:966	10	not Mr. Khan ever forwarded the list, Exhibit 371, to	01:31:06:800	10	should have, the list that you provided.
01:28:56:236	11	anyone else?	01:31:11:271	11	Would you compare that, sir, and could
01:28:59:206	12	A. I understand he forwarded it to Credit	01:31:12:539	12	you tell me whether or not they are identical.
01:29:00:607	13	Swisse.	01:31:37:397	13	A. No, they're not identical. The order
01:29:01:641	14	Q. And how did you learn that?	01:31:40:667	14	has changed. And it looks like Cenus 4 is new, Cert
01:29:10:550	15	A. I'm not --	01:31:52:045	15	is new, Octans 3 is new, the Topanga 2 is new.
01:29:11:484	16	Q. If you recall.	01:32:09:929	16	That's what I see.
01:29:12:218	17	A. Yeah. I'm not sure.	01:32:10:563	17	Q. All right. So except for those four
01:29:13:219	18	Q. Okay.	01:32:15:001	18	specific names that you identified, the rest of the
01:29:16:056	19	MR. KEKER: You're saying you knew it at	01:32:19:039	19	list is identical to the one that you sent to
01:29:16:756	20	the time or you knew it now?	01:32:21:875	20	Mr. Khan?
01:29:23:096	21	THE WITNESS: I'm not sure.	01:32:22:475	21	A. I think they were on there.
01:29:24:464	22	Q. All right. Well, let's try and refresh	01:32:25:245	22	Q. All right. And do you have any
01:29:25:732	23	your memory, because I know this is several years	01:32:26:446	23	understanding of who added those additional names in
01:29:27:834	24	ago.	01:32:29:516	24	the list that was forwarded from Mr. Khan to
01:29:27:934	25	I would like to have you look at what	01:32:31:017	25	Mr. Bhatt?

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01:37:58:211	1	Stoker - May 3, 2012	01:39:47:120	1	Stoker - May 3, 2012
01:37:59:512	2	Q. And it appears to be two e-mails on the	01:39:48:021	2	A. Yes.
01:38:01:081	3	first page.	01:39:48:088	3	Q. So on November the 2nd when you received
01:38:01:814	4	The second one, there's a -- is from --	01:39:51:024	4	this e-mail from Mr. Quintin, did you have an
01:38:04:551	5	appears -- appears to be from Donald Quintin to Brian	01:39:53:994	5	understanding when he referred to the assets of the
01:38:08:087	6	Stoker on November the 2nd, 2006.	01:39:56:997	6	portfolio, he was referring to the list of assets
01:38:11:324	7	Sir, do you have any recollection of	01:40:01:034	7	that Mr. Khan forwarded the day before?
01:38:12:926	8	receiving this e-mail?	01:40:04:003	8	A. Yes.
01:38:18:331	9	A. No, not particularly, though I'm sure I	01:40:04:571	9	Q. All right. Sir, do you recall during
01:38:19:699	10	received it.	01:40:21:754	10	this time period -- again, I'm referring to the
01:38:20:400	11	Q. All right. And in this, Mr. Quintin	01:40:24:190	11	October and November of 2006 time period, whether you
01:38:25:672	12	states apparently Samir is amenable to the portfolio.	01:40:28:061	12	were keeping Mr. Grant informed of what was happening
01:38:29:342	13	It sounds like Popp was receptive to the concept	01:40:31:631	13	with respect to the proposed CDO squared with Credit
01:38:31:711	14	yesterday.	01:40:34:768	14	Swisse?
01:38:32:512	15	First, sir, do you know the reference --	01:40:38:071	15	A. I tried to keep Darius up to date, yes.
01:38:34:314	16	what the reference to Popp is?	01:40:41:708	16	Q. Okay. I'm going to show you, sir, what
01:38:37:017	17	A. It's John Popp. He was Samir's boss at	01:40:49:716	17	was previously marked as Exhibit 615.
01:38:39:186	18	Credit Swisse.	01:41:00:827	18	MR. INFELISE: For the record, Exhibit
01:38:40:353	19	Q. All right. And sir, does this refresh	01:41:02:429	19	615 is a multi -- five-page document, but it
01:38:43:056	20	your recollection concerning whether or not you	01:41:12:272	20	does not bear any Bates numbers.
01:38:44:724	21	learned after the list was sent to Credit Swisse	01:41:41:067	21	A. Is there a certain part of this e-mail?
01:38:47:827	22	whether they were willing to include those assets in	01:41:55:381	22	Q. Well, I'm just going to direct your
01:38:51:064	23	a CDO squared?	01:41:56:783	23	attention to the first e-mail on the very first page.
01:38:52:465	24	A. I see that it says they're minimal to	01:42:00:220	24	You can obviously take your time to review the
01:38:54:067	25	the portfolio, but I have no understanding as to what	01:42:02:355	25	entirety, if you wish.
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01:38:57:504	1	Stoker - May 3, 2012	01:42:10:363	1	Stoker - May 3, 2012
01:38:59:606	2	assets or what they were going to do with those	01:42:58:178	2	A. Okay.
01:39:01:808	3	assets.	01:42:58:311	3	Q. All right, sir. And I'm going to direct
01:39:01:941	4	Q. All right. Well, when you were talking	01:43:00:613	4	your attention again to the first e-mail on the top
01:39:02:909	5	about amenable portfolio, do you have any	01:43:02:849	5	of this page.
01:39:03:943	6	understanding of specifically what portfolio of	01:43:04:284	6	It appears to be from Brian Stoker to
01:39:06:580	7	assets Mr. Quintin was referring to?	01:43:06:286	7	Darius Grant on November the 9th, 2006.
01:39:11:317	8	A. I knew the list that I forwarded to	01:43:10:023	8	Sir, do you have any recollection of
01:39:12:585	9	Sohail. I know there was a list.	01:43:11:491	9	sending this e-mail to Mr. Grant?
01:39:15:321	10	Q. All right. And you were aware of the	01:43:17:564	10	A. Yeah, I remember it.
01:39:16:756	11	day before Mr. Khan forwarded that list to Credit	01:43:18:531	11	Q. All right. You say let's let Jim into
01:39:19:792	12	Swisse?	01:43:23:437	12	DQ CDO squared with CSAC.
01:39:20:293	13	A. I probably saw that e-mail.	01:43:26:373	13	When you say Jim, who are you referring
01:39:21:661	14	Q. Right.	01:43:28:174	14	to?
01:39:23:229	15	MR. KEKER: I object to that list. It's	01:43:28:541	15	A. Jim Prusko at Magnatar Capital.
01:39:24:731	16	a different list.	01:43:30:310	16	Q. And why is it you were suggesting to
01:39:27:267	17	MR. INFELISE: Okay.	01:43:32:946	17	allow Mr. Prusko to be involved in this CDO squared?
01:39:28:201	18	Q. You were aware that on November the 1st,	01:43:37:284	18	A. Well, the salesperson, Bob Stevenish,
01:39:30:370	19	Mr. Khan forwarded a list of assets to Credit Swisse?	01:43:42:655	19	Robert Stevenish as written in, in Boston, he was --
01:39:36:709	20	A. Probably I didn't realize it was a	01:43:50:563	20	he covered Magnatar. And he was pressuring Darius
01:39:37:710	21	different list at the time, probably.	01:43:56:302	21	and me to get -- work out some trade with Magnatar.
01:39:39:579	22	Q. All right. So the list which you had	01:44:01:875	22	And we hadn't been able to work one out. He covered
01:39:41:314	23	forwarded four additional assets from, the list that	01:44:03:843	23	Magnatar and Magnatar was giving him a lot of trades
01:39:44:184	24	you provided to Mr. Khan, that's the one we are	01:44:05:645	24	with other dealers. He was frustrated that Citigroup
01:39:46:453	25	talking about. You understand that, sir?	01:44:08:147	25	hadn't done -- at least our structuring or CDO group,

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01:44:12:052	1	Stoker - May 3, 2012	01:46:59:752	1	Stoker - May 3, 2012
01:44:13:620	2	hadn't done a deal with Magnatar.	01:47:02:489	2	Q. Who is Michael Shackelford?
01:44:14:654	3	Q. All right. Now, if I direct your	01:47:03:823	3	A. Michael Shackelford was Samir Bhatt's
01:44:18:725	4	attention to the sentence in the third line that	01:47:07:761	4	new boss. He had started I don't know how many
01:44:22:195	5	starts CDO. It says CDO squared can print one Q	01:47:09:529	5	months before. So he was junior to John Popp and
01:44:26:366	6	because DQ and Jim will short assets into the deal.	01:47:13:133	6	senior to Samir Bhatt.
01:44:30:336	7	Sir, could you explain to me what you	01:47:14:868	7	Q. Okay. And if you notice the attachments
01:44:31:504	8	mean by CDO can print one Q.	01:47:17:937	8	to this, the second page of it.
01:44:36:810	9	A. They could price or close in the first	01:47:21:508	9	Does that appear to be the list of
01:44:39:812	10	quarter of the next year, 2007.	01:47:22:842	10	assets that Mr. Khan forwarded Mr. Bhatt on November
01:44:43:183	11	Q. All right. And because DQ and Jim will	01:47:26:846	11	the 1st?
01:44:45:819	12	short all assets into the deal.	01:47:27:514	12	A. Yes.
01:44:48:488	13	Sir, does that mean that either	01:47:28:101	13	Q. All right. And why is it, then, you
01:44:49:723	14	Mr. Quintin or Mr. Prusko would purchase protections	01:47:30:750	14	were forwarding a copy of this same list to
01:44:53:093	15	on all the assets in the deal?	01:47:33:306	15	Mr. Shackelford?
01:44:55:128	16	A. Yeah. That will guarantee that the deal	01:47:36:156	16	A. Maybe he asked. I don't remember.
01:44:56:329	17	will get done because -- at least be executed,	01:47:37:290	17	Q. All right. So in fact, you did have
01:44:59:532	18	because these guys were willing to provide liquidity.	01:47:40:327	18	direct communication with someone at Credit Swisse
01:45:05:972	19	Q. So does that -- again, does that mean --	01:47:42:762	19	concerning the list, didn't you?
01:45:09:309	20	make sure I understand, does that mean that when they	01:47:44:664	20	A. I sent this e-mail, but I don't remember
01:45:12:946	21	say they will short all assets into the deal, that	01:47:47:834	21	talking to him about it.
01:45:15:749	22	Mr. Quintin and Mr. -- it's your expectation that	01:47:48:735	22	Q. Do you have any recollection of why you
01:45:18:751	23	Mr. Quintin and Mr. Prusko would purchase the	01:47:50:270	23	did it?
01:45:21:288	24	protection on all the assets?	01:47:50:804	24	A. No.
01:45:23:223	25	A. At least initially, yes.	01:48:11:791	25	Q. Sir, after you sent that list to
		Page 86			Page 88
01:45:24:758	1	Stoker - May 3, 2012	01:48:14:794	1	Stoker - May 3, 2012
01:45:29:362	2	Q. All right. With respect to the list of	01:48:15:729	2	Mr. Shackelford on November 14th, do you recall
01:45:32:198	3	assets that Mr. Khan sent to Credit Swisse back on	01:48:18:565	3	whether or not you engaged in any discussions or
01:45:37:704	4	November 1st, do you recall whether or not you	01:48:21:000	4	communications with other individuals in Citigroup's
01:45:40:940	5	personally had any communications with anyone at	01:48:25:805	5	CDO desk concerning what assets should be included in
01:45:43:843	6	Credit Swisse concerning that list?	01:48:31:377	6	the CDO squared with Credit Swisse?
01:45:46:145	7	A. I didn't.	01:48:37:517	7	A. Would you repeat the question. I
01:45:47:146	8	Q. Are you sure?	01:48:38:418	8	apologize.
01:45:48:748	9	A. Pretty sure. I don't remember it.	01:48:38:952	9	Q. Sure. After you sent the e-mail to
01:45:56:422	10	Q. I'm going to show you what's been	01:48:41:154	10	Mr. Shackelford on November the 14th, do you recall
01:45:57:824	11	previously marked as Exhibit 537, a two-page	01:48:43:990	11	whether or not you had any communications or
01:46:01:861	12	document, CITI 15952054 and 055.	01:48:45:792	12	discussions with any of the individuals in
01:46:36:196	13	A. Okay.	01:48:48:695	13	Citigroup's CDO group concerning what assets should
01:46:36:863	14	Q. Sir, have you had a chance to look at	01:48:54:134	14	be included in the CDO squared that was being
01:46:38:064	15	Exhibit 557?	01:48:56:870	15	contemplated with Credit Swisse?
01:46:39:432	16	A. I have.	01:49:00:440	16	A. I don't remember talking about any
01:46:40:633	17	Q. And the first e-mail at the top appears	01:49:01:408	17	particular names, no.
01:46:43:403	18	to be from Brian Stoker to a Michael Shackelford and	01:49:02:909	18	Q. Do you recall aside from oral
01:46:47:073	19	dated November 14, 2006.	01:49:04:911	19	communications, any written communications?
01:46:49:876	20	Sir, do you have any recollection of	01:49:07:514	20	A. No.
01:46:51:478	21	sending this e-mail?	01:49:09:749	21	Q. Okay.
01:46:55:515	22	A. Vague recollection.	01:49:12:318	22	MR. INFELISE: I think we have to change
01:46:57:017	23	Q. So you don't have reason to believe you	01:49:13:553	23	the tape. So let's take a break here.
01:46:58:251	24	didn't send it, do you?	01:49:15:688	24	THE VIDEOGRAPHER: This marks the end of
01:46:59:352	25	A. No.	01:49:16:322	25	tape No. 2. We're going off the record at 11

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01:49:17:824	1	Stoker - May 3, 2012	01:53:02:015	1	Stoker - May 3, 2012
01:49:18:125	2	a.m.	01:53:02:982	2	and the rest should be triple B.
01:49:21:925	3	(There was a recess taken.)	01:53:04:451	3	Do you see that, sir?
01:49:21:995	4	THE VIDEOGRAPHER: This marks the start	01:53:07:821	4	A. I do.
01:49:22:595	5	of tape No. 3. We're back on the record at	01:53:08:421	5	Q. And were you referring specifically to
01:49:24:764	6	11:08 a.m.	01:53:10:323	6	the CDOs we discussed earlier, the CDOs that were
01:49:25:295	7	BY MR. INFELISE:	01:53:13:860	7	named after presidents and constellations?
01:49:25:365	8	Q. All right, sir. And just before we	01:53:19:166	8	A. I don't -- I was referring to the
01:49:29:102	9	broke, I was asking whether you recalled if you had	01:53:21:234	9	president and constellations and I don't know if that
01:49:31:638	10	any further discussions with anyone in Citigroup's	01:53:23:437	10	list was still relevant or just generally, the
01:49:34:875	11	CDO group about the specific assets for inclusion in	01:53:26:239	11	president and constellation deals had a wider spread,
01:49:42:382	12	the proposed CDO squared with Credit Suisse.	01:53:28:975	12	so if they were going to be included, it was -- I
01:49:45:685	13	And I'd like to show you, sir, what was	01:53:33:747	13	felt there was no need to buy the triple B, because
01:49:48:021	14	previously marked as Exhibit 373.	01:53:36:016	14	the single A had enough spread all ready.
01:50:04:738	15	MR. INFELISE: And Exhibit 373 is a	01:53:38:185	15	Q. But you were specifically saying or
01:50:06:339	16	multi-page document Bates numbered CITI 18178869	01:53:40:620	16	suggesting here president/constellation deals,
01:50:12:712	17	through 81.	01:53:44:991	17	correct?
01:50:33:399	18	A. Okay.	01:53:45:492	18	A. I did.
01:50:34:200	19	Q. Sir, have you had a chance to look at	01:53:45:625	19	Q. All right. And that wasn't your normal
01:50:35:401	20	Exhibit 373? Just take a moment and take a look at	01:53:48:261	20	practice, was it, to suggest specific assets for
01:51:38:265	21	it.	01:53:50:964	21	inclusion in a CDO?
01:51:38:698	22	A. Okay.	01:53:54:667	22	A. That was exactly what I did in many,
01:51:39:299	23	Q. All right. And sir, Exhibit 373, the	01:53:56:669	23	many CDOs.
01:51:41:834	24	first page, appears to be an e-mail from Brian Stoker	01:53:57:904	24	Q. Well, sir, isn't it true that generally,
01:51:44:538	25	on November 22nd, 2006 to Shalabh Mehrishi,	01:53:59:639	25	you didn't pay attention to what specific assets were
		Page 90			Page 92
01:51:51:645	1	Stoker - May 3, 2012	01:54:01:808	1	Stoker - May 3, 2012
01:51:52:712	2	Sohail Kahn, Donald Quintin, Brian Carosielli, and	01:54:04:444	2	in the deal?
01:51:56:349	3	with a copy to Mr. Darius Grant.	01:54:05:745	3	A. That's right, I did not pay attention to
01:51:59:286	4	Sir, looking at this e-mail, do you have	01:54:07:080	4	particular names. I paid attention to asset types,
01:52:00:887	5	any recollection of actually sending this e-mail?	01:54:10:216	5	ratings, types, mortgage-backed security versus CDO,
01:52:06:626	6	A. I do.	01:54:15:021	6	spreads.
01:52:06:860	7	Q. All right. And sir, the subject is the	01:54:17:057	7	Q. Okay. Now, after this e-mail, what
01:52:10:897	8	CSAC CDO squared. Sir, CSAC, is that an acronym for	01:54:22:929	8	we've just referred to as Exhibit 373, do you recall
01:52:16:569	9	Credit Suisse?	01:54:26:266	9	whether there was any further discussions with CSAC
01:52:17:570	10	A. It is.	01:54:29:636	10	or -- excuse me, Credit Suisse, about that CDO
01:52:18:104	11	Q. All right. And sir, does this refresh	01:54:32:873	11	squared?
01:52:20:473	12	your recollection concerning whether or not after the	01:54:35:308	12	A. I'm sorry?
01:52:23:810	13	November 14th e-mail, you actually had further	01:54:35:675	13	MR. KEKER: About what CDO squared?
01:52:27:113	14	communications with individuals on the CDO -- or	01:54:37:177	14	Q. The one that was the topic of the
01:52:32:218	15	excuse me, in the CDO group, concerning specific	01:54:39:145	15	November 22nd e-mail -- 21st e-mail I just showed
01:52:35:355	16	assets to include in the CDO squared with Credit	01:54:42:315	16	you. Excuse me.
01:52:38:258	17	Suisse?	01:54:44:784	17	MR. KEKER: 22nd. November 22nd.
01:52:40:126	18	A. Well, this is exactly the kind of --	01:54:47:253	18	Kennedy's death day.
01:52:41:794	19	this refreshes my recollection that this is exactly	01:54:52:659	19	MR. INFELISE: 22nd.
01:52:43:863	20	the kind of conversation I would have with assets --	01:54:56:896	20	A. I don't know if this was discussed with
01:52:47:233	21	types of assets and spreads, and ratings as opposed	01:54:58:165	21	Credit Suisse.
01:52:49:903	22	to particular names.	01:54:59:933	22	Q. Do you know what response, if any,
01:52:52:539	23	Q. All right. Well, in the body of the	01:55:07:340	23	Citigroup received from Credit Suisse about potential
01:52:55:842	24	e-mail, it's the third sentence, you say I'm thinking	01:55:10:677	24	assets for inclusion in that CDO squared that's
01:52:59:612	25	the president constellation deal should be single A,	01:55:13:013	25	referenced in the November 22nd e-mail?

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02:07:34:220	1	Stoker - May 3, 2012	02:09:51:324	1	Stoker - May 3, 2012
02:07:35:188	2	Mr. Bhatt and Mr. Khan on January the 8th, 2007?	02:09:57:230	2	All right, sir. I'm going show you,
02:07:38:024	3	MR. KEKER: Ever being at the time or?	02:09:58:631	3	sir, what has been previously marked as Exhibit
02:07:40:827	4	MR. INFELISE: Fair enough.	02:10:01:834	4	514-A.
02:07:41:561	5	Q. Sir, at or near January 8th, 2007, do	02:10:38:671	5	A. Okay.
02:07:45:298	6	you recall whether or not you were ever made aware of	02:10:39:506	6	Q. All right, sir. Now, looking back at
02:07:47:500	7	this communication -- these communications between	02:10:42:275	7	Exhibit 513-A, at the top you can see that the date
02:07:49:636	8	Mr. Bhatt and Mr. Khan?	02:10:48:415	8	and time was January 2007 at 10:12 a.m.
02:07:52:105	9	A. No, I don't know about these particular	02:10:52:686	9	Do you see that, sir?
02:07:53:506	10	communications.	02:10:53:453	10	A. Yes.
02:07:57:710	11	Q. Were you aware at or near January 8th	02:10:54:287	11	Q. And if you look at Exhibit 514-A, this
02:08:02:482	12	that Citigroup had proposed a list of specific assets	02:10:59:125	12	again is from Mr. Khan to Mr. Bhatt. Sir, you are
02:08:12:092	13	to Credit Swisse?	02:11:03:797	13	not the sender or recipient of this.
02:08:14:360	14	A. No.	02:11:05:465	14	Do you have any recollection of being
02:08:15:528	15	Q. Were you aware at or near January 8th	02:11:07:100	15	informed that on January 2007 at 10:57 a.m., this
02:08:18:765	16	whether or not Credit Swisse ever accepted that	02:11:14:474	16	e-mail was sent?
02:08:22:702	17	proposal?	02:11:16:643	17	A. No.
02:08:24:571	18	A. I wasn't aware of the proposal.	02:11:18:078	18	Q. And were you aware that on January 8th,
02:08:27:774	19	Q. So you were not aware of whether or not	02:11:21:915	19	2007, that Citigroup and Credit Swisse had agreed to
02:08:29:375	20	they accepted it; is that accurate?	02:11:26:419	20	trades and specific assets in the attachments to
02:08:31:945	21	A. I was aware soon after that there was a	02:11:29:989	21	Exhibit 514-A?
02:08:34:714	22	trade executed, but I was not aware of these	02:11:32:525	22	A. I understood soon after. I don't know
02:08:37:717	23	discussions.	02:11:34:594	23	if it was that day or the next day, but soon after
02:08:39:919	24	Q. Were you aware of -- you said soon after	02:11:36:529	24	that, that there was a trade executed. I didn't know
02:08:41:721	25	that a trade was executed.	02:11:38:698	25	which names and I didn't pay attention to the names.
		Page 102			Page 104
02:08:42:889	1	Stoker - May 3, 2012	02:11:40:867	1	Stoker - May 3, 2012
02:08:43:790	2	Were you aware of whether or not that	02:11:41:834	2	Q. And you were aware of the amount of that
02:08:44:591	3	trade that was executed was on each of the assets	02:11:42:835	3	trade?
02:08:49:295	4	listed on Exhibit 513-A?	02:11:44:170	4	A. Yes.
02:08:51:665	5	A. No. I don't know the names involved.	02:11:53:146	5	Q. I'm going to show you, sir, what's been
02:08:54:067	6	Q. Did you learn names involved?	02:11:54:647	6	previously marked as Exhibit 617.
02:09:01:641	7	A. I've seen some lists since then in	02:12:01:121	7	MR. INFELISE: And for the record,
02:09:04:544	8	preparing for testimony.	02:12:22:709	8	Exhibit 617 is a one-page document, CITI
02:09:06:045	9	Q. No, sir, I'm going to direct your	02:12:28:248	9	18249474.
02:09:07:113	10	attention to this time frame, at or near January the	02:12:36:556	10	A. Yes.
02:09:10:083	11	8th.	02:12:37:224	11	Q. All right, sir. And this appears to be
02:09:11:785	12	Were you aware of the specific names on	02:12:38:725	12	an e-mail from Brian Stoker to Darius Grant on
02:09:15:755	13	which -- excuse me, strike that.	02:12:41:861	13	January the 8th, 2007 at 11:55 a.m.
02:09:19:526	14	Were you aware of the specific assets	02:12:46:232	14	Sir, looking at this e-mail, do you
02:09:22:429	15	which were proposed that Citigroup purchase	02:12:48:968	15	recall sending this e-mail?
02:09:25:165	16	protection on?	02:12:52:238	16	A. I don't recall, but I'm sure I sent it.
02:09:26:433	17	A. No.	02:12:53:907	17	Q. All right. And about midway down the
02:09:27:634	18	Q. If you look at Exhibit 513-A, the second	02:12:58:511	18	e-mail, there is a reference to CDO squared.
02:09:33:473	19	e-mail from Mr. Khan, the second line says if we can	02:13:01:381	19	Do you see that?
02:09:39:446	20	get this done, we're pretty much done on 50 percent	02:13:02:449	20	A. I do.
02:09:41:648	21	of the portfolio, 250 MM off the bat.	02:13:03:350	21	Q. And there is reference to CSAC, BSAM and
02:09:45:819	22	Sir, my understanding is 250 MM refers	02:13:07:587	22	Dillon Read, parens UBS. Then it says CSAC is buying
02:09:48:187	23	to 250 million.	02:13:12:792	23	250 million -- or excuse me, 250 MM from DQ.
02:09:49:589	24	A. Yes.	02:13:20:166	24	Sir, is this the e-mail indicating that
02:09:50:356	25	Q. Okay. Thank you.	02:13:23:970	25	you learned on January 8th, 2007 that Credit Swisse

		Page 105			Page 107
02:13:27:507	1	Stoker - May 3, 2012	02:15:26:459	1	Stoker - May 3, 2012
02:13:28:575	2	had agreed to sell protection to Donald Quintin for	02:15:28:094	2	A. It's not.
02:13:32:679	3	\$250 million?	02:15:30:697	3	Q. Are you saying that the purchase of
02:13:34:247	4	A. It indicates I had some idea. Is buy,	02:15:32:699	4	protection by Mr. Quintin in the -- that CDO squared
02:13:36:549	5	as opposed to bought. I don't know if the trade was	02:15:39:906	5	which became Class V III, wasn't a proprietary trade?
02:13:38:318	6	done or where that trade stood necessarily, but I had	02:15:45:545	6	A. Donald did end up having some position
02:13:41:721	7	some idea.	02:15:47:046	7	in it, but from my perspective, it was not the ideas
02:13:42:989	8	Q. And how did you learn that?	02:15:50:617	8	discussed, and it was not the -- in October-November,
02:13:44:891	9	A. I don't know.	02:15:54:020	9	it was a trade where Donald had some position in it,
02:13:46:626	10	Q. Is that information that you would have	02:15:56:823	10	so if you want to call it a prop trade, okay, but it
02:13:48:027	11	been provided by Mr. Khan?	02:15:59:959	11	was a different deal where Credit Suisse picked the
02:13:50:864	12	A. I might have overheard Mr. Khan or	02:16:01:728	12	assets, and Donald's position was uncertain.
02:13:53:466	13	Mr. Carosielli or Mr. Quintin or maybe --	02:16:13:339	13	Q. Well, do you know whether or not other
02:13:57:837	14	MR. KEKER: Don't guess if you don't	02:16:15:575	14	people in the structuring desk considered the
02:13:58:771	15	remember.	02:16:18:345	15	position Mr. Quintin was taking as a prop trade?
02:13:59:005	16	A. I don't remember.	02:16:22:449	16	A. I think the term prop trade was left
02:13:59:439	17	Q. You don't recall?	02:16:23:917	17	over from the ideas of October-November. It just
02:14:00:240	18	A. I don't.	02:16:26:853	18	didn't fade. If anybody called it that afterward, it
02:14:00:907	19	Q. Was it a common practice for the	02:16:30:390	19	was just a left over term and not accurate.
02:14:02:475	20	structurers to be kept up to date on the status of a	02:16:33:893	20	Q. Why wasn't it accurate?
02:14:07:046	21	CDO that you may be structuring?	02:16:35:862	21	A. Because I don't -- because it wasn't a
02:14:12:152	22	A. Trades -- if a manager agreed to a	02:16:37:197	22	prop -- it became not a prop trade at that point. It
02:14:14:120	23	trade, they would fill out the trade log, and send it	02:16:39:232	23	became just what I called a regular trade where
02:14:16:022	24	to the structuring team.	02:16:41:735	24	Credit Suisse was picking the assets, and Donald's
02:14:17:457	25	Q. So you would get a copy of the trade log	02:16:45:271	25	position was secondary. Nobody knew what he was
		Page 106			Page 108
02:14:18:525	1	Stoker - May 3, 2012	02:16:49:642	1	Stoker - May 3, 2012
02:14:19:059	2	indicating exactly what the trades were?	02:16:50:443	2	going to do. He didn't know what he was going to do.
02:14:20:627	3	A. Yes.	02:16:54:347	3	Q. So you're saying at some point in time,
02:14:21:628	4	Q. And how long after the trade did that	02:16:56:850	4	the plan to do a prop trade changed; is that
02:14:23:897	5	occur?	02:17:01:855	5	accurate, between October discussions and January of
02:14:24:564	6	A. It's supposed to be the same day.	02:17:05:826	6	2007?
02:14:39:312	7	Q. Okay. Sir, after January the 8th, do	02:17:07:360	7	A. In my view it did.
02:14:42:815	8	you recall whether or not there was any discussion	02:17:08:628	8	Q. In your view. All right.
02:14:45:885	9	between you and Mr. Grant concerning -- strike that.	02:17:10:497	9	How about Mr. Grant, do you know what
02:14:50:523	10	After January 8th, 2007, do you recall	02:17:12:699	10	his view was?
02:14:52:759	11	whether or not Mr. Grant gave you any guidance or	02:17:14:868	11	A. I don't know.
02:14:55:695	12	direction on the structuring of this CDO squared with	02:17:18:905	12	Q. Let me show you, sir, what has been
02:14:59:566	13	Credit Suisse?	02:17:20:506	13	previously marked as Exhibit 618.
02:15:03:903	14	A. I don't remember any in particular, no.	02:17:34:321	14	MR. INFELISE: And 618 is a one-page
02:15:06:406	15	Q. Do you recall whether he voiced any	02:17:36:323	15	document Bates numbered CITI 18277265.
02:15:07:807	16	concerns about the structuring of it?	02:17:46:199	16	A. Okay.
02:15:12:979	17	A. I vaguely remember he wanted to make	02:17:46:366	17	Q. All right, sir. And this appears to be
02:15:15:115	18	sure we get the modeling right, because we	02:17:49:135	18	an e-mail from Darius Grant to Brian Stoker and
02:15:17:317	19	hadn't worked on a -- I hadn't worked on a CDO	02:17:52:305	19	Mr. Maneesh Awasthi.
02:15:18:985	20	squared before.	02:17:55:141	20	A. Yes.
02:15:20:153	21	Q. And the reason he wanted to get the	02:17:55:875	21	Q. Dated January 16, 2007.
02:15:21:121	22	modeling right was because it was a proprietary	02:17:58:778	22	Sir, do you recall receiving this
02:15:23:256	23	trade, is that accurate?	02:17:59:913	23	e-mail?
02:15:25:258	24	A. No.	02:18:01:648	24	A. I don't.
02:15:26:025	25	Q. It's not?	02:18:02:215	25	Q. Do you have any reason to believe you

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02:33:23:836	1	Stoker - May 3, 2012	02:36:35:662	1	Stoker - May 3, 2012
02:33:24:670	2	receiving this e-mail?	02:36:52:812	2	Q. Have you had a chance to look at Exhibit
02:33:25:872	3	A. No, but I'm sure I received it.	02:36:54:414	3	380, sir?
02:33:27:807	4	Q. All right. And at the bottom of the	02:36:55:515	4	A. I have.
02:33:29:542	5	e-mail, there is a -- bottom of the page, there is an	02:36:56:049	5	Q. It appears to be an e-mail from a Brian
02:33:32:345	6	e-mail from Mr. Li on February the 5th to Shalabh	02:36:59:119	6	Herr to several individuals. One of those indicates
02:33:39:686	7	Mehrish, and copies to you and Mr. Pinniger and	02:37:05:191	7	is Brian Stoker, dated February 28, 2007.
02:33:43:957	8	Mr. -- I guess himself, in which he says SK Life	02:37:08:829	8	Sir, do you recall receiving this
02:33:49:128	9	insists they want to see no static deal in the Class	02:37:10:397	9	e-mail?
02:33:52:465	10	V portfolio unless CSAC can convince him each of the	02:37:11:031	10	A. No.
02:33:56:102	11	static deals has value added, which is hard to prove.	02:37:12:098	11	Q. Now, I think you testified earlier that
02:34:00:173	12	Do you recall any discussion with Mr. Li	02:37:14:267	12	February 28th, 2007 was the date that the Class V III
02:34:03:109	13	or any of the other individuals in this e-mail about	02:37:18:137	13	closed; is that right?
02:34:06:713	14	that request from I guess what's referred to as SK	02:37:19:505	14	A. Yes.
02:34:09:849	15	Life?	02:37:26:379	15	Q. Now, the subject of this is Credit
02:34:11:217	16	A. No.	02:37:27:647	16	Swisse's CDO trade log, Class V Funding III.
02:34:13:186	17	Q. Do you have any idea why it would be	02:37:32:119	17	Sir, do you recall whether or not you
02:34:14:888	18	hard to prove that the specific static deals selected	02:37:33:553	18	actually reviewed the attachments to this e-mail?
02:34:18:558	19	by CSAC didn't add any value to the portfolio?	02:37:39:493	19	A. I don't recall.
02:34:23:330	20	A. I think it's always hard to prove that	02:37:40:960	20	Q. Would it be common practice for you to
02:34:24:831	21	an investment -- one investment is better than the	02:37:42:529	21	do so?
02:34:27:300	22	other. You can't prove it, right? There are	02:37:43:563	22	A. No.
02:34:29:236	23	different assets, different prices. You can't prove	02:37:44:297	23	Q. Why not?
02:34:32:572	24	it. And if an investor has a view that something	02:37:48:167	24	A. Because I didn't have a view on
02:34:35:575	25	is -- that they don't like static deals, then I think	02:37:50:270	25	individual assets. This was -- I don't know why he
		Page 122			Page 124
02:34:38:612	1	Stoker - May 3, 2012	02:37:53:005	1	Stoker - May 3, 2012
02:34:39:746	2	it's going to be hard to prove -- certainly prove it,	02:37:53:640	2	was sending this on the closing date. Usually, on
02:34:41:782	3	much less convince them that you know, to change	02:37:56:776	3	this deal, Frank Li would look at the assets chosen
02:34:44:384	4	their mind.	02:38:00:880	4	and update his models with those assets. And then it
02:34:45:385	5	Q. All right. Now, there is an e-mail	02:38:04:750	5	looks like -- otherwise, this information might be
02:34:49:790	6	below the first one from Mr. Mehrish to you and	02:38:07:554	6	for potential investors or somebody, not for me.
02:34:53:860	7	Mr. Li, copy to Mr. Pinniger, which says Samir bought	02:38:12:792	7	Q. All right. If you would look at the
02:34:57:397	8	these static bonds and he should have a rationale as	02:38:14:127	8	third page of the attachment, so it's actually the --
02:35:00:233	9	to why he found them attractive.	02:38:21:368	9	since it's copied on two sides. Okay? It's the
02:35:03:537	10	And the response from Mr. Li at the top	02:38:26:206	10	third page on the second piece of paper there, which
02:35:07:040	11	which was sent to you and Mr. Mehrish, says yes, he	02:38:30:243	11	is the third page of the attachment. And there is a
02:35:10:042	12	could come up with some stories for some of the	02:38:34:213	12	column that says broker.
02:35:12:079	13	static deals in the Class V pool, but not all of	02:38:35:916	13	Do you see that?
02:35:14:948	14	them.	02:38:40:086	14	A. Yes.
02:35:16:182	15	Sir, did it give you any concern when	02:38:40:821	15	Q. All right. And at least on this page,
02:35:17:817	16	you read this e-mail that Mr. Li was saying that	02:38:44:491	16	there is a -- well, the first -- several of those
02:35:24:825	17	Credit Swisse could not come up with a rationale for	02:38:47:427	17	indicates the broker is Citigroup.
02:35:27:260	18	why to include all the deals that it did in Class V?	02:38:50:597	18	A. Yes.
02:35:30:930	19	A. No.	02:38:51:331	19	Q. And does that indicate that in fact,
02:35:31:064	20	Q. Not at all?	02:38:53:033	20	with respect to that asset, that Citigroup was the
02:35:32:699	21	A. Not at all.	02:38:56:335	21	purchaser uncovered of that asset?
02:35:33:967	22	Q. Thank you.	02:39:00:640	22	A. No. It just means the initial trade was
02:35:51:151	23	Sir, I'm going to show you what's	02:39:02:175	23	with Citigroup. No telling what Citigroup traders
02:35:52:251	24	previously marked as Exhibit 380.	02:39:06:045	24	did after that initial trade date.
02:36:20:847	25	A. Okay.	02:39:08:681	25	Q. Well, does -- but on this trade date

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02:39:09:950	1	Stoker - May 3, 2012	02:44:24:764	1	Stoker - May 3, 2012
02:39:10:951	2	which is February 28th, 2007 --	02:44:26:299	2	change the tape.
02:39:14:854	3	A. Right.	02:44:31:471	3	THE VIDEOGRAPHER: This marks the end of
02:39:15:322	4	Q. -- right? Well, doesn't this show that	02:44:32:072	4	tape No. 3. We're going off the record at 12:04,
02:39:17:457	5	the entries which say Citigroup is a broker mean that	02:44:34:808	5	p.m.
02:39:20:560	6	Credit Suisse did the trade with Citigroup uncovered?	02:44:37:674	6	(There was a recess taken.)
02:39:24:498	7	A. No, it doesn't.	02:44:37:744	7	THE VIDEOGRAPHER: This marks the start
02:40:09:609	8	Q. All right, sir. If you would look at	02:44:38:311	8	of tape No. 4. We're back on the record at
02:40:13:613	9	Exhibit -- I believe it's 741. It would be your	02:44:40:313	9	12:15 p.m.
02:40:17:350	10	testimony on March the 4th, 2010.	02:44:42:812	10	BY MR. INFELISE:
02:40:28:061	11	All right, sir. And if you look at the	02:44:42:882	11	Q. Mr. Stoker, based on your experience at
02:40:30:930	12	page which is 141 of the transcript.	02:44:45:551	12	Citigroup, when Citigroup acted as an arranging bank
02:40:39:606	13	A. Okay.	02:44:50:590	13	for a CDO, how was it compensated?
02:40:42:342	14	Q. All right. And I'm going to direct your	02:44:54:761	14	A. How was Citigroup compensated?
02:40:43:176	15	attention to the question and answers beginning on	02:44:55:962	15	Q. Yes.
02:40:46:479	16	line 18 on that page through line 6 on page 142, but	02:44:58:332	16	A. Structuring fees.
02:40:57:390	17	take the time, the time that you think is necessary,	02:45:00:433	17	Q. And the structuring fees, who paid
02:40:59:826	18	to read as much of that as you would like.	02:45:01:935	18	those?
02:41:29:589	19	MR. KEKER: I object to using this for	02:45:05:638	19	A. That's hard to say who paid them. It
02:41:32:025	20	impeachment, because it's not impeaching.	02:45:07:474	20	was kind of really the structuring fees were whatever
02:43:06:486	21	A. Okay.	02:45:11:244	21	dollars were left over after buying the assets and
02:43:07:120	22	Q. Have you had a chance to read that, sir?	02:45:14:147	22	selling all the notes.
02:43:08:321	23	A. Yes.	02:45:15:515	23	Q. So ultimately, the money that was paid
02:43:09:055	24	Q. And having read that, sir, were your	02:45:17:083	24	to pay that structuring fee came from investors in
02:43:10:256	25	answers to those questions accurate?	02:45:19:653	25	the CDO, didn't it?
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02:43:11:825	1	Stoker - May 3, 2012	02:45:21:421	1	Stoker - May 3, 2012
02:43:13:026	2	A. Absolutely.	02:45:22:489	2	A. You could say that.
02:43:13:459	3	Q. All right. Let me ask you this again	02:45:23:323	3	Q. Okay. Do you recall how much Citi
02:43:17:430	4	with respect to Exhibit 380. And I'm again going to	02:45:27:527	4	actually made or do you recall how much Citi charged
02:43:24:404	5	direct your attention to the third page of the	02:45:31:431	5	for the structuring fees on a Class V III?
02:43:29:076	6	attachment.	02:45:37:237	6	A. Not precisely.
02:43:33:647	7	A. Okay.	02:45:38:972	7	Q. Okay.
02:43:34:481	8	Q. And in the column which says broker,	02:45:48:782	8	MR. INFELISE: I'm going to ask the
02:43:36:250	9	where someone other than Citigroup is listed, doesn't	02:45:49:282	9	court reporter to mark the next exhibit as
02:43:40:553	10	that indicate that with respect to that asset, that	02:45:52:819	10	Exhibit 748.
02:43:44:691	11	Citigroup just intermediated the trade?	02:45:55:112	11	(Exhibit 748, E-Mail String, Bates No.
02:43:50:998	12	A. I'm sorry, could you repeat the	02:45:55:181	12	CITI 15019692, marked for identification, as of
02:43:51:999	13	question.	02:45:55:251	13	this date.)
02:43:52:399	14	Q. Sure. In the column that says broker,	02:45:55:322	14	MR. INFELISE: For the record, Exhibit
02:43:54:500	15	and for the assets where it shows someone other than	02:46:17:310	15	748 is a one-page document CITI -- Bates No.
02:43:58:038	16	Citigroup, does that indicate that that person listed	02:46:20:814	16	CITI 15019692.
02:44:02:576	17	as broker or -- let me say this -- strike that.	02:46:29:389	17	A. Okay.
02:44:05:011	18	Does that entry of a name other than	02:46:30:256	18	Q. Sir, have you had a chance to look at
02:44:07:414	19	Citigroup indicate for that asset Citigroup actually	02:46:31:358	19	Exhibit 748?
02:44:10:517	20	just intermediated the trade for Credit Suisse?	02:46:33:760	20	A. I have.
02:44:13:419	21	A. Yes.	02:46:34:961	21	Q. And the top e-mail appears to be from
02:44:14:454	22	Q. And that would be a trade in which	02:46:37:331	22	Brian Stoker on March 1st, 2007 to several
02:44:17:457	23	Citigroup would charge its what, 3 basis points?	02:46:43:069	23	individuals; Frank Li, and -- excuse me, Frank Li and
02:44:20:793	24	A. Yes.	02:46:47:640	24	Darius Grant.
02:44:21:594	25	MR. INFELISE: I think it's time to	02:46:48:942	25	Sir, looking at this e-mail, do you have

		Page 129			Page 131
02:46:50:343	1	Stoker - May 3, 2012	02:48:50:163	1	Stoker - May 3, 2012
02:46:51:210	2	any recollection of sending it?	02:48:51:564	2	money; is that right?
02:46:54:013	3	A. I don't.	02:48:51:931	3	A. Generically, yes, I had some idea.
02:46:54:380	4	Q. All right. Do you have any reason to believe you didn't?	02:48:53:600	4	Q. And what was the basis of that idea?
02:46:55:882	5	A. No.	02:48:55:301	5	A. I don't remember.
02:46:56:950	6	Q. Looking at the bottom e-mail on this page, which appears to be from Frank Li to several individuals including Brian Stoker on February 28th, 2007, sir, do you have any reason to believe you didn't receive this e-mail?	02:48:56:370	6	Q. All right. And how about after March 1st, do you have any idea of how much, if any, more, was made as a result of those short positions that were taken in the assets in Class V Funding III?
02:46:58:351	7	A. No.	02:49:08:848	10	A. In the months -- in the time after, I thought he made more money, but -- right? I thought he had made more money.
02:47:00:420	8	Q. Now, on this -- the subject is Class V Funding III final P&L. There is a listing of total gross fee of \$4 million. Is that \$4 million, sir?	02:49:10:850	11	Q. All right, sir.
02:47:03:523	9	A. Yes.	02:49:14:788	12	In the time frame the end of 2006 through early 2007, did you have a view concerning Citi's role as a swap counterparty for synthetic assets in the CDO?
02:47:08:028	10	Q. Does this refresh your recollection concerning how much Citigroup charged for structuring fees in the Class V III?	02:49:16:189	13	A. Did I have a view?
02:47:11:231	11	A. Yes.	02:49:47:654	14	Q. A view.
02:47:12:765	12	Q. Would this be an accurate statement of that amount?	02:49:49:823	15	A. A view?
02:47:13:233	13	A. No.	02:49:54:528	16	Q. Yeah.
02:47:14:500	14	Q. Do you have any recollection of actually receiving it?	02:49:59:566	17	A. I'm not sure what you mean by view.
02:47:15:635	15	A. No.	02:50:01:935	18	Q. Well, how did you -- you were aware that for synthetic assets in a CDO, Citi as arranging bank would be what we called the initial swap
02:47:16:436	16	Q. Now, on this -- the subject is Class V Funding III final P&L. There is a listing of total gross fee of \$4 million. Is that \$4 million, sir?	02:50:05:071	19	A. In the months -- in the time after, I thought he made more money, but -- right? I thought he had made more money.
02:47:20:207	17	A. Yes.	02:50:05:338	20	Q. All right, sir.
02:47:25:111	18	Q. Does this refresh your recollection concerning how much Citigroup charged for structuring fees in the Class V III?	02:50:05:671	21	In the time frame the end of 2006 through early 2007, did you have a view concerning Citi's role as a swap counterparty for synthetic assets in the CDO?
02:47:31:985	19	A. Yes.	02:50:07:507	22	A. Did I have a view?
02:47:33:954	20	Q. Would this be an accurate statement of that amount?	02:50:09:409	23	Q. A view.
02:47:36:456	21	A. No.	02:50:11:344	24	A. I'm not sure what you mean by view.
02:47:40:293	22	Q. Now, on this -- the subject is Class V Funding III final P&L. There is a listing of total gross fee of \$4 million. Is that \$4 million, sir?	02:50:16:950	25	Q. Well, how did you -- you were aware that for synthetic assets in a CDO, Citi as arranging bank would be what we called the initial swap
02:47:42:195	23	Q. Does this refresh your recollection concerning how much Citigroup charged for structuring fees in the Class V III?			
02:47:42:795	24	A. Yes.			
02:47:45:031	25	Q. Would this be an accurate statement of that amount?			
		Page 130			Page 132
02:47:45:899	1	Stoker - May 3, 2012	02:50:18:518	1	Stoker - May 3, 2012
02:47:47:868	2	A. Yes.	02:50:19:185	2	counterparty; isn't that correct?
02:47:48:201	3	Q. At the top of the page, an e-mail that you sent on March 1st, 2007, you said that was a guess. Then DQ made lots of money being short the market that we can't take credit for.	02:50:19:819	3	A. Yes.
02:47:49:736	4	DQ again, is that referring to Donald Quintin?	02:50:20:954	4	Q. How did you view that role?
02:47:54:541	5	A. Yes.	02:50:26:392	5	A. A necessary role to create a CDO.
02:47:58:111	6	Q. And when you say being short the market, are you referring to the fact that Mr. Quintin took a short position on synthetic assets in the Class V Funding III?	02:50:28:561	6	Q. Okay. And in that role, they were just the -- Citi was just acting as the intermediary; is that accurate?
02:48:00:880	7	A. Yes.	02:50:30:463	7	A. It could have been an intermediary or not.
02:48:02:593	8	Q. And when you say being short the market, are you referring to the fact that Mr. Quintin took a short position on synthetic assets in the Class V Funding III?	02:50:33:333	8	Q. Well, did you view it, then, as an intermediary?
02:48:03:316	9	A. Yes.	02:50:34:801	9	A. I viewed it as they had to be involved to structure the CDO. And that they may or may not be intermediating.
02:48:04:184	10	Q. And when you say being short the market, are you referring to the fact that Mr. Quintin took a short position on synthetic assets in the Class V Funding III?	02:50:35:935	10	Q. Well, did you consider that role pretty insignificant with respect to the CDO squared -- excuse me, a synthetic CDO? I'm sorry.
02:48:06:352	11	A. Yes.	02:50:37:571	11	A. Insignificant?
02:48:09:556	12	Q. And when you say being short the market, are you referring to the fact that Mr. Quintin took a short position on synthetic assets in the Class V Funding III?	02:50:39:172	12	MR. KEKER: Objection to the form pretty insignificant.
02:48:13:660	13	A. Yes.	02:50:42:542	13	A. It was necessary. You had to have it.
02:48:15:461	14	Q. All right. So as of March 1st, 2007, you say he's made lots of money -- by March 1st, 2007 by being short?	02:50:44:210	14	Q. Sir, did you view that role Citi played as initial swap counterparty as a basic administrative one, moving cash around?
02:48:18:431	15	A. For some time, yes, I had -- yes.	02:50:51:184	15	
02:48:21:568	16	Q. All right. So as of March 1st, 2007, you say he's made lots of money -- by March 1st, 2007 by being short?	02:50:53:787	16	
02:48:25:638	17	A. Well, even at that time, I had -- it was just a guess. I didn't have any insight into the trading desk confidential trades or trading strategy.	02:50:55:622	17	
02:48:26:773	18	Q. Well, but you said DQ made lots of	02:50:59:326	18	
02:48:27:474	19		02:51:04:797	19	
02:48:29:809	20		02:51:05:431	20	
02:48:33:346	21		02:51:06:632	21	
02:48:38:618	22		02:51:08:935	22	
02:48:39:919	23		02:51:14:340	23	
02:48:42:289	24		02:51:17:343	24	
02:48:47:160	25		02:51:20:080	25	

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02:51:25:185	1	Stoker - May 3, 2012	02:54:02:609	1	Stoker - May 3, 2012
02:51:26:252	2	A. If they were intermediating or moving	02:54:04:177	2	337 of Exhibit 742. And Ms. Imes says -- refers
02:51:28:588	3	cash around, I guess that wasn't the primary -- most	02:54:12:185	3	to line 19. Mr. Stoker answers I wasn't
02:51:33:125	4	important thing in the CDO.	02:54:14:521	4	concerned. The manager picks the assets, you
02:51:34:694	5	Q. Okay. If you would look again at	02:54:16:290	5	know, determines every trade, so having
02:51:37:463	6	Exhibit 471, which is your testimony on March 4th,	02:54:17:991	6	Citigroup in the middle of every trade does not
02:51:43:937	7	2010.	02:54:19:959	7	seem concern now. She said there is a not
02:51:56:083	8	A. Yes.	02:54:22:595	8	missing. There should be a not after does
02:51:57:117	9	Q. All right. I'm going to direct your	02:54:25:732	9	there. I think in the context it's obvious that
02:51:57:851	10	attention to page 62 and 63 of that testimony. And	02:54:28:235	10	is correct, but I wanted to be sure that you
02:52:14:067	11	you can read any portion you want. I was going to	02:54:30:169	11	knew that error was there, and she offered you
02:52:15:969	12	direct your attention to the lines beginning on lines	02:54:32:405	12	the tape or offered Mr. Feller to go look at the
02:52:19:739	13	16 of page 62 through line 9 of page 63.	02:54:36:076	13	tape.
02:52:26:079	14	A. Okay.	02:54:36:309	14	MR. INFELISE: All right. Thank you.
02:52:47:034	15	MR. KEKER: Jeff, I thought Ms. Imes	02:54:38:978	15	Q. Sir, have you had a chance to read that?
02:52:48:601	16	made a correction to this answer on the	02:54:40:046	16	A. I have.
02:52:53:339	17	transcript, or some place. I've seen it.	02:54:40:747	17	Q. Now, you look on page 63, start on line
02:52:56:843	18	MR. INFELISE: Well, if you provide it	02:54:43:716	18	there 3 where you describe -- you say well, to
02:52:58:044	19	to us, I'll be happy to add it in.	02:54:46:653	19	elaborate, I would say the manager is in charge.
02:52:59:446	20	A. I do not have it.	02:54:49:122	20	Right, do you see that?
02:53:01:014	21	MR. INFELISE: Let's go off the record.	02:54:50:523	21	A. I do.
02:53:03:216	22	THE VIDEOGRAPHER: We are going --	02:54:51:291	22	Q. And then you go on to say and Citigroup
02:53:05:151	23	MR. KEKER: No, we don't need to go off	02:54:53:259	23	is -- Citigroup as swap counterparty, is just the
02:53:06:352	24	the record.	02:54:55:962	24	intermediary, kind of a bi-product of the deal and
02:53:06:853	25	MR. INFELISE: Yes, we do.	02:54:59:366	25	pretty insignificant, I would say, to the CDO. It's
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02:53:07:754	1	Stoker - May 3, 2012	02:55:01:234	1	Stoker - May 3, 2012
02:53:09:255	2	MR. KEKER: No, we don't.	02:55:02:435	2	almost like a -- almost like just an administrator
02:53:10:023	3	MR. INFELISE: We do. We are not going	02:55:05:872	3	moving cash around.
02:53:10:890	4	to waste time arguing on my time.	02:55:07:374	4	Sir, when you gave that testimony, was
02:53:13:160	5	MR. KEKER: Okay. Well, I won't charge	02:55:08:841	5	that accurate and correct?
02:53:14:494	6	you for the time, but I just assume stay on the	02:55:10:143	6	A. Yes.
02:53:16:997	7	record. I thought she said there should be a	02:55:10:911	7	Q. Thank you. Now, with respect to Class V
02:53:20:266	8	not in here.	02:55:16:950	8	Funding III, sir, wasn't Citigroup's role different
02:53:21:134	9	MR. INFELISE: Where?	02:55:23:023	9	from the role as initial swap counterparty that you
02:53:22:402	10	MR. KEKER: Right where it's -- having	02:55:26:893	10	just described?
02:53:24:905	11	Citigroup in the middle of every trade does not	02:55:31:231	11	A. Different, no. They were the initial
02:53:26:740	12	seem like a concern to me. Now, I thought	02:55:32:432	12	swap counterparty.
02:53:29:076	13	that's in the transcript. In the 2011, maybe.	02:55:33:967	13	Q. Well, didn't they have another role in
02:53:41:121	14	Anyway. We'll look. He can testify and we'll	02:55:35:435	14	that besides being initial swap counterparty?
02:53:43:657	15	look for it.	02:55:38:572	15	A. As what?
02:53:43:923	16	MR. INFELISE: Sure. All right.	02:55:40:106	16	Q. I don't know. I'm asking you. Do you
02:53:47:661	17	MR. KEKER: It's in the 2011.	02:55:41:174	17	know if they had another role?
02:53:50:296	18	MR. INFELISE: If it helps, I wasn't	02:55:42:442	18	A. No.
02:53:52:165	19	focusing on that answer anyway. But I'll be	02:55:43:276	19	Q. If Citigroup took a naked -- excuse me,
02:53:55:435	20	happy if you find the correction, we can put it	02:55:45:579	20	a short position in specific assets which it held,
02:53:57:371	21	in.	02:55:49:416	21	isn't that different than being initial swap
02:53:58:171	22	Q. All right, Mr. Stoker.	02:55:51:284	22	counterparty that just intermediates trades?
02:53:59:239	23	Again, take your time and read through	02:55:54:721	23	A. No, it's not different.
02:54:00:874	24	whatever you --	02:55:55:689	24	Q. It's not at all different?
02:54:01:441	25	MR. KEKER: Here. I'm sorry, it's page	02:55:56:656	25	A. It's the exact same as being the initial

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02:55:58:191	1	Stoker - May 3, 2012	02:58:17:831	1	Stoker - May 3, 2012
02:56:01:361	2	swap counterparty. It's different than	02:58:20:633	2	of default, then the CDO has to pay the person
02:56:02:228	3	intermediating trades, but it's the same as being the	02:58:23:169	3	purchasing the protection the value of the amount of
02:56:03:563	4	initial swap counterparty.	02:58:26:909	4	insurance they purchased, right?
02:56:05:065	5	Q. So when you say they were almost an	02:58:31:511	5	A. Okay.
02:56:06:632	6	administrator moving cash around, you say that's	02:58:31:711	6	Q. All right. So if in fact, assets - the
02:56:09:703	7	exactly the same as what Citigroup did with respect	02:58:34:748	7	25 assets or some of the 25 assets which Citigroup
02:56:13:506	8	to the 25 assets on which it took a short position;	02:58:39:319	8	took a naked or short position on, they kept them
02:56:17:043	9	is that correct?	02:58:43:857	9	until they defaulted, Citigroup would be entitled to
02:56:22:983	10	MR. KEKER: I object to the form of the	02:58:47:927	10	a payment of the entire amount that they purchased
02:56:24:117	11	question.	02:58:50:963	11	protection on; is that accurate?
02:56:29:422	12	A. Could you repeat the question, please.	02:58:54:201	12	A. Yes.
02:56:30:690	13	Q. Sure. I just referred to the statement	02:58:54:834	13	Q. All right. So if that occurred, then in
02:56:34:561	14	you made that Citigroup's role as a swap counterparty	02:58:58:405	14	the moving cash around that you described, would be
02:56:38:665	15	was almost just as an administrator moving cash	02:59:02:442	15	from the investors directly to Citigroup, correct?
02:56:42:569	16	around; and I'm asking you with respect to the 25	02:59:06:079	16	A. Yes.
02:56:46:306	17	assets on which Citigroup took a short position, are	02:59:15:054	17	Q. Do you have any idea approximately how
02:56:49:542	18	you saying that that describes what Citigroup did?	02:59:18:892	18	much profit Citigroup realized as a result of the
02:56:52:946	19	A. Yes.	02:59:23:063	19	naked positions or the short positions they took on
02:56:53:847	20	Q. So they moved cash around from the	02:59:26:599	20	the 25 assets in Class V III?
02:56:55:214	21	investors to Citigroup?	02:59:30:237	21	A. No, I don't know.
02:56:59:352	22	A. From themselves to -- from the trading	02:59:31:337	22	Q. Do you recall ever trying to estimate
02:57:03:056	23	desk to the CDO.	02:59:33:005	23	that?
02:57:07:494	24	Q. The trading desk did?	02:59:34:041	24	A. I did try to estimate.
02:57:09:663	25	A. The trading desk was the initial swap	02:59:35:174	25	Q. All right. I'm going to show you, sir,
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02:57:10:930	1	Stoker - May 3, 2012	02:59:38:445	1	Stoker - May 3, 2012
02:57:11:564	2	counterparty. They moved cash around from	02:59:41:681	2	what was previously marked as Exhibit 377.
02:57:12:465	3	themselves, right? They made premium payments to the	03:00:06:306	3	Sir, have you had a chance to look at
02:57:15:001	4	CDO.	03:00:07:607	4	Exhibit 377? And take your time. There is a fairly
02:57:16:203	5	Q. And when, as you described, Mr. Quintin	03:00:15:082	5	lengthy attachment to it.
02:57:20:073	6	made a lot of profits on those short positions, then	03:00:17:317	6	A. I have.
02:57:23:777	7	you're moving cash from the investors to Citigroup,	03:00:18:151	7	Q. All right.
02:57:26:312	8	right?	03:00:19:752	8	MR. INFELISE: And for the record,
02:57:29:682	9	A. There was no cash flows for that.	03:00:20:720	9	Exhibit 377 is a multi-page document Bates
02:57:32:251	10	Q. What do you mean there was no cash	03:00:24:791	10	numbered CITI 15025665 through 676.
02:57:33:120	11	flows?	03:00:33:099	11	Q. Sir, the first page of this document
02:57:35:155	12	A. Well, in any profits that Donald had	03:00:35:001	12	appears to be an e-mail from Brian Stoker to Darius
02:57:37:190	13	made, and I didn't have much insight into his	03:00:38:972	13	Grant on June 27, 2007.
02:57:40:694	14	strategy or his trading book, any profits he made in	03:00:45:245	14	Subject, savings by selling to CSAC
02:57:43:897	15	January, February, that is just a -- you know, mark	03:00:48:181	15	Vandy and Harding.
02:57:47:634	16	to market or realized gain on trades he had offset at	03:00:50:317	16	Sir, do you recall why you sent this --
02:57:50:002	17	the time, and there is no cash movement facing the	03:00:53:052	17	well, first off, do you recall sending this e-mail to
02:57:56:342	18	CDO at the time.	03:00:54:955	18	Mr. Grant?
02:57:57:543	19	Q. Well, let me ask you this; if you buy	03:00:57:357	19	A. I do.
02:57:59:579	20	protection on specific assets in a synthetic CDO, the	03:00:57:958	20	Q. All right. And why is it you sent this
02:58:05:718	21	person who purchased the protection pays a certain	03:00:59:993	21	e-mail?
02:58:08:989	22	premium; is that accurate?	03:01:01:127	22	A. I don't recall.
02:58:11:057	23	A. Yes.	03:01:04:030	23	Q. And there's a list of deals there, these
02:58:12:025	24	Q. And the reason they pay that premium,	03:01:06:566	24	deals were. Do you see that, sir?
02:58:13:860	25	that is if, for some reason, that asset has an event	03:01:07:734	25	A. I do.

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03:01:07:901	1	Stoker - May 3, 2012	03:03:35:515	1	Stoker - May 3, 2012
03:01:09:202	2	Q. One of those is Class V III?	03:03:39:819	2	Chris Carman -- any CDOs that Chris Carman had made
03:01:12:572	3	A. Yes.	03:03:44:590	3	and was purchased by these seven deals, I assumed
03:01:13:040	4	Q. And then down in the body of the e-mail,	03:03:47:960	4	that those would take a loss and also, the same thing
03:01:15:875	5	you say, the third line, Class V III made us \$250	03:03:50:363	5	for Shalabi's deals.
03:01:20:346	6	million in profits, correct?	03:03:52:499	6	Q. Okay. So as I understand, with respect
03:01:23:483	7	A. Yes.	03:03:54:401	7	to Class V III, you said you had access to a -- some
03:01:24:050	8	Q. All right. And if I recall your	03:03:59:906	8	trading logs for those specific assets in Class V
03:01:25:518	9	testimony, the structuring fee that Citigroup made as	03:04:03:543	9	III; is that right?
03:01:28:888	10	a result of Class V Funding III was \$34 million.	03:04:05:378	10	A. I had a trade log for each of these
03:01:34:561	11	A. Yes.	03:04:06:346	11	seven deals.
03:01:36:530	12	Q. All right. That was the fee. Okay.	03:04:07:447	12	Q. And is that the same information you had
03:01:37:263	13	Now, where did the other profits that you've listed	03:04:09:082	13	in February of 2007?
03:01:43:336	14	there come from, to your knowledge?	03:04:12:986	14	A. Yes.
03:01:46:206	15	A. All right. This analysis was based off	03:04:14:288	15	Q. All right. So your estimate, based on
03:01:50:110	16	of what I wrote here. This wasn't about structuring	03:04:18:158	16	your review of those logs, was that Class V III or
03:01:52:011	17	fees. This was from three -- from the three sources.	03:04:22:929	17	Citigroup made about \$250 million in profits on Class
03:02:00:887	18	Q. I see.	03:04:26:933	18	V III as of June 27, 2007?
03:02:02:623	19	A. The trading desk, where I assume that	03:04:30:970	19	A. Profits or losses avoided.
03:02:04:858	20	trading desk shorted assets, from assets that Chris	03:04:33:773	20	Q. Well, it says profits, sir. Does it say
03:02:10:397	21	Carman's desk sold in CDOs, and I assumed that these	03:04:35:541	21	losses avoided in Class V Funding III?
03:02:14:734	22	assets that hadn't been sold would be -- Citi would	03:04:37:844	22	A. Below I did. My next question.
03:02:18:304	23	have retained them and realized a loss on those, and	03:04:43:116	23	Q. Which part?
03:02:21:742	24	the third source is Shalabi's sales, so any issued	03:04:45:786	24	A. The last sentence of the e-mail. Where
03:02:25:511	25	CDOs that these seven CDOs bought, I assumed that	03:04:48:822	25	I wrote even if you care to cut my estimates of
		Page 142			Page 144
03:02:29:015	1	Stoker - May 3, 2012	03:04:50:323	1	Stoker - May 3, 2012
03:02:30:416	2	Citigroup would not have sold those and instead,	03:04:53:059	2	profits or losses avoided.
03:02:32:185	3	would have held those through this date and would	03:04:58:965	3	Q. But above it when you talk about --
03:02:34:587	4	have incurred a loss of those. Those were three	03:05:01:201	4	obviously, the paragraph contains reference to both
03:02:36:389	5	sources of losses.	03:05:04:905	5	profits and losses avoided; is that accurate?
03:02:38:892	6	Q. All right. Did you say that this does	03:05:10:110	6	A. Can you repeat the question, please.
03:02:40:560	7	not include structuring fees, this is separate and	03:05:11:210	7	Q. Sure. The paragraph starting Citi sold
03:02:42:462	8	apart?	03:05:13:179	8	\$2 billion, 2 BB, of Citi CDOs, that paragraph
03:02:43:063	9	A. It does.	03:05:18:384	9	contains references to both profits made and losses
03:02:44:531	10	Q. Then I guess my question was with	03:05:22:388	10	avoided; is that accurate?
03:02:46:299	11	respect to Class V Funding III specifically, you talk	03:05:40:741	11	A. Yes.
03:02:49:669	12	about a profit of \$250 million.	03:05:41:541	12	Q. All right. So when you say Class V III
03:02:51:971	13	A. Yes.	03:05:44:444	13	made us 250 million, you specifically refer to
03:02:52:972	14	Q. What was your basis for concluding on	03:05:48:548	14	profits?
03:02:55:842	15	June the 27th, 2007, that Citigroup made a profit of	03:05:50:517	15	A. I did.
03:03:00:880	16	\$250 million in Class V III?	03:05:50:984	16	Q. Okay. Now, this was as of June 27th,
03:03:03:516	17	A. Well, I didn't have good information. I	03:05:55:355	17	2007, your estimate?
03:03:05:718	18	didn't have access to the trading desk confidential	03:05:58:692	18	A. Yes.
03:03:09:623	19	trades -- any trades that they had done since. Other	03:05:59:192	19	Q. All right. Do you know or are you aware
03:03:12:592	20	than besides the one that had been done with the CDO	03:06:02:262	20	of whether Citigroup retained any of the short
03:03:16:196	21	initially. But I went and looked at the seven trade	03:06:06:599	21	positions on those 25 assets in Class V III until
03:03:19:533	22	logs for these seven deals, and I looked for these	03:06:11:471	22	such time as there was an event of default in that
03:03:23:636	23	three sources of trades. One where the initial	03:06:14:340	23	asset?
03:03:26:639	24	broker was Citigroup, and I assumed that Citigroup	03:06:16:810	24	MR. KEKER: Did he know at the time or
03:03:31:844	25	had stayed short on all these seven deals, and then	03:06:18:011	25	does he know now?

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03:06:18:745	1	Stoker - May 3, 2012	03:08:55:501	1	Stoker - May 3, 2012
03:06:20:581	2	MR. INFELISE: Yes. Did he know at the	03:08:55:802	2	Exhibit 749.
03:06:21:147	3	time. Thank you.	03:09:18:815	3	(Exhibit 749, E-Mail Bates No. CITI
03:06:22:515	4	A. I wasn't aware in June, I wasn't aware	03:09:18:885	4	18190520, marked for identification, as of this
03:06:23:784	5	when there was a default. I wasn't aware until my	03:09:18:956	5	date.)
03:06:25:952	6	first investigative testimony.	03:09:19:025	6	MR. INFELISE: For the record, the Bates
03:06:27:687	7	Q. All right. Do you have any recollection	03:09:21:094	7	number is partially cut off, but it's CITI
03:06:29:556	8	of when Class V III was declared to be in default?	03:09:24:164	8	18190520, a one-page document.
03:06:37:197	9	A. I've since learned that it was in	03:09:39:679	9	Q. Okay. Mr. Stoker, have you had a chance
03:06:40:534	10	2000 -- end of 2007.	03:09:40:947	10	to look at Exhibit 749?
03:06:42:736	11	Q. But you since learned that, you mean	03:09:42:816	11	A. I have.
03:06:44:003	12	during this litigation?	03:09:44:017	12	Q. And it appears to be an e-mail from
03:06:44:971	13	A. That's right.	03:09:45:585	13	Brian Stoker to Nestor Dominguez on November 29,
03:06:45:939	14	Q. Were you still working at Citi in	03:09:48:721	14	2006.
03:06:47:875	15	November 2007?	03:09:50:223	15	Sir, do you have any recollection of
03:06:49:375	16	A. I was.	03:09:51:391	16	sending this e-mail?
03:06:50:209	17	Q. Did you receive any information then	03:09:54:194	17	A. No.
03:06:51:945	18	whether Class V III was the date it was declared to	03:09:55:228	18	Q. Do you have any reason to believe you
03:06:56:850	19	be in default?	03:09:56:163	19	didn't send it?
03:06:59:185	20	A. Maybe. I don't remember.	03:09:57:230	20	A. No.
03:07:00:753	21	Q. So you have no knowledge concerning	03:09:58:131	21	Q. And what was Mr. Dominguez's position on
03:07:03:223	22	what, if any, of the assets, 25 assets in which it	03:10:00:800	22	November 29, 2006?
03:07:06:493	23	took a short position, it still held on the day that	03:10:03:002	23	A. He was the managing director of the CDO
03:07:11:130	24	Class V III was declared to be in default?	03:10:04:938	24	group.
03:07:12:866	25	A. No, I don't know. I don't know if it	03:10:08:341	25	Q. It indicates -- it says that I can now
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03:07:14:701	1	Stoker - May 3, 2012	03:10:13:747	1	Stoker - May 3, 2012
03:07:15:535	2	was held or not. I don't know when it defaulted.	03:10:14:681	2	be in charge of the CDO squared business.
03:07:18:605	3	Q. All right.	03:10:18:318	3	At this time, on the structuring desk,
03:07:42:863	4	Mr. Stoker, in the -- near the end of	03:10:22:022	4	were there more than one director who could be in
03:07:47:734	5	2006, would it be fair to say you were seeking more	03:10:25:358	5	charge of CDO squareds?
03:07:51:804	6	responsibility on the structuring desk in the CDO	03:10:31:264	6	A. Darius was in charge of the structuring
03:07:55:875	7	group?	03:10:32:732	7	desk and the other groups. I guess Michael Salius
03:07:56:610	8	A. Yes.	03:10:36:870	8	was in charge of commercial real estate CDOs, and the
03:07:57:710	9	Q. And why was that?	03:10:39:839	9	other directors were not in charge of any particular
03:08:02:715	10	A. I wanted to be promoted to managing	03:10:42:342	10	deal type.
03:08:04:284	11	director. I wanted -- I wanted to grow in my career.	03:10:44:310	11	Q. So with respect to those other
03:08:11:090	12	Q. Okay. And to whom did you make that, or	03:10:46:112	12	directors, they could be assigned as deal manager on
03:08:19:699	13	did you make that desire known to anybody at	03:10:48:916	13	the CDO squared or you could be assigned as asset
03:08:23:103	14	Citigroup?	03:10:51:651	14	manager of the CDO squared?
03:08:24:738	15	A. I spoke to Nestor about it and probably	03:10:53:019	15	A. Yes.
03:08:27:507	16	Darius.	03:10:53:787	16	Q. And you were asking to be in charge of
03:08:28:641	17	Q. Do you recall specific conversations	03:10:55:722	17	all CDO squared business?
03:08:30:143	18	with them?	03:10:56:957	18	A. Yes.
03:08:31:511	19	A. I remember I spoke with Nestor one time.	03:10:57:691	19	Q. Did you tell Mr. Grant that you had sent
03:08:34:581	20	Q. Okay. And this was -- was this in the	03:10:59:425	20	this to Mr. Dominguez?
03:08:36:015	21	time frame of November or December of 2006?	03:11:01:227	21	A. Probably.
03:08:39:603	22	A. Yes.	03:11:02:795	22	Q. Are you sure?
03:08:40:253	23	Q. Okay.	03:11:03:864	23	A. I'm not sure.
03:08:51:999	24	MR. INFELISE: I'm going to ask the	03:11:09:802	24	MR. INFELISE: I ask the court reporter
03:08:52:866	25	court reporter to mark the next exhibit as	03:11:10:537	25	to mark the next exhibit as Exhibit 750.

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03:11:29:756	1	Stoker - May 3, 2012	03:13:36:883	1	Stoker - May 3, 2012
03:11:36:286	2	(Exhibit 750, E-Mail Bates No. CITI	03:13:38:485	2	say also, HG CDOs and CDO squared.
03:11:36:356	3	30701251, marked for identification, as of this	03:13:41:154	3	What is an HG CDO?
03:11:36:426	4	date.)	03:13:42:823	4	A. It's a high grade CDO.
03:11:36:496	5	MR. INFELISE: For the record, Exhibit	03:13:44:724	5	Q. So in this e-mail which was sent the
03:11:37:630	6	750 is a one-page document, Bates numbered CITI	03:13:46:493	6	same day, it looks like maybe an hour and a half
03:11:42:168	7	30701251.	03:13:49:663	7	later, if you look at 749, you're now asking
03:11:52:011	8	A. Okay.	03:13:53:066	8	Mr. Dominguez for responsibility both for CDO squared
03:11:52:245	9	Q. All right, sir.	03:13:57:303	9	and the high grade CDOs?
03:11:53:280	10	And this appears to be an e-mail from	03:13:59:105	10	A. Yes.
03:11:56:750	11	Brian Stoker to Nestor Dominguez, also on November	03:14:08:348	11	Q. Sir, in the time frame of October of
03:11:59:619	12	29, 2006.	03:14:14:154	12	2006 through February 2007, was there any concern on
03:12:02:456	13	Looking at this document, sir, do you	03:14:20:260	13	your part with respect to synthetic assets that
03:12:03:857	14	have any recollection of sending it to Mr. Dominguez?	03:14:23:363	14	assets were being adversely selected?
03:12:06:226	15	A. No.	03:14:31:204	15	A. Not something that I was worried about,
03:12:07:194	16	Q. Do you have any reason to believe you	03:14:33:106	16	no.
03:12:08:195	17	didn't?	03:14:34:041	17	Q. When I say adversely selected, do you
03:12:08:829	18	A. No.	03:14:35:942	18	understand that term?
03:12:10:129	19	Q. Now, in the first sentence, you say if	03:14:38:211	19	A. Yes.
03:12:11:764	20	you want to make more money and win the league	03:14:38:612	20	Q. What is your understanding of adverse
03:12:14:234	21	tables, give me more responsibility.	03:14:40:213	21	selection?
03:12:17:103	22	My first question, sir, is what are the	03:14:42:348	22	A. Whoever is picking the assets wants them
03:12:18:772	23	league tables?	03:14:43:750	23	to perform poorly.
03:12:20:673	24	A. That is just the ranking of how many	03:14:45:585	24	Q. So if you were picking assets for a
03:12:26:914	25	total deals and total volume that a deal does.	03:14:48:388	25	synthetic CDO, and you're going to purchase
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03:12:31:918	1	Stoker - May 3, 2012	03:14:51:291	1	Stoker - May 3, 2012
03:12:33:320	2	Q. And why is it that you wanted -- you	03:14:52:892	2	protection on them, you would want them to perform
03:12:34:121	3	said that, why would Mr. Dominguez want to win the	03:14:54:561	3	poorly, correct?
03:12:38:391	4	league tables?	03:14:55:329	4	A. Could you repeat the question.
03:12:39:258	5	A. It was prestigious to be number 1 in the	03:14:56:462	5	Q. Sure. If you were picking the assets
03:12:41:194	6	league tables.	03:14:58:965	6	for inclusion in a synthetic CDO and you intended to
03:12:42:262	7	Q. Does that affect your compensation?	03:15:01:735	7	purchase the protection on those assets, you would
03:12:46:500	8	A. Not particularly.	03:15:04:137	8	want them to perform poorly?
03:12:47:701	9	Q. It doesn't?	03:15:06:439	9	A. I apologize. Could you repeat one more
03:12:51:337	10	A. It's unclear how I was paid.	03:15:07:607	10	time.
03:12:54:574	11	Q. Did you believe at this time that you	03:15:08:541	11	Q. I'll try.
03:12:56:743	12	were paid based upon the number of CDOs that you	03:15:10:543	12	So if you were picking the assets to be
03:13:00:313	13	actually were responsible for structuring?	03:15:13:613	13	put into a synthetic CDO, the referenced assets --
03:13:03:049	14	A. At this time, this is when I had my	03:15:17:117	14	A. Yes?
03:13:04:150	15	guarantee -- excuse me, it's not. Did I believe? I	03:15:18:051	15	Q. -- and you were going to purchase the
03:13:10:791	16	tried to do my best and I wasn't sure how I was	03:15:19:519	16	protection on them, you would want the assets you
03:13:13:693	17	compensated.	03:15:22:555	17	picked to perform poorly?
03:13:15:495	18	Q. Did you ever ask?	03:15:26:026	18	A. Likely.
03:13:19:199	19	A. Actually, I did ask. I spoke to Darius	03:15:26:827	19	Q. Okay. Do you recall ever having any
03:13:21:000	20	about it one time, and he was -- told me I was not	03:15:29:997	20	discussions with anyone in the CDO group about assets
03:13:22:335	21	compensated based on the number of deals I did.	03:15:34:100	21	that were being considered for CDOs that may have
03:13:26:039	22	Q. Were you pushing during this time period	03:15:39:939	22	been adversely selected?
03:13:28:108	23	to try and do more deals?	03:15:44:043	23	A. Could you repeat the question. I
03:13:30:977	24	A. I always pushed to do more deals.	03:15:45:111	24	apologize.
03:13:32:645	25	Q. Okay. Now, you go on in this e-mail to	03:15:45:678	25	Q. Sure. And I'm referring, again, to the

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03:15:46:879	1	Stoker - May 3, 2012	03:18:33:113	1	Stoker - May 3, 2012
03:15:47:614	2	time period of, let's say, October 2006 to about	03:18:36:483	2	THE VIDEOGRAPHER: And we're back on the
03:15:51:417	3	February 2007.	03:18:38:217	3	record at 12:50 p.m.
03:15:53:153	4	Do you recall ever having any	03:18:39:152	4	MR. INFELISE: And at this point, I have
03:15:54:321	5	conversations with anyone in the CDO group concerning	03:18:39:853	5	no further questions. Thank you, Mr. Stoker.
03:16:01:061	6	specific assets that were being considered for	03:18:42:489	6	THE WITNESS: Thank you.
03:16:04:531	7	inclusion of CDOs that may have been adversely	03:18:45:791	7	THE VIDEOGRAPHER: Counsel?
03:16:08:101	8	selected?	03:18:47:794	8	MR. KEKER: No questions.
03:16:11:204	9	A. I don't remember, no.	03:18:48:628	9	THE VIDEOGRAPHER: This concludes the
03:16:18:245	10	Q. Okay. Sir, I'm going to give you a copy	03:18:50:030	10	deposition. We're going back off the record at
03:16:19:479	11	of what was previously marked as Exhibit 606.	03:18:51:764	11	12:51 p.m.
03:16:46:806	12	MR. INFELISE: Exhibit 606 is a two-page	03:18:51:765	12	(Time noted: 12:51 p.m.)
03:16:48:675	13	document, Bates numbered CITI 18142457-458.	03:18:51:766	13	
03:17:13:132	14	A. Okay.	03:18:51:767	14	
03:17:14:401	15	Q. Sir, the top e-mail appears to be from	03:18:51:768	15	
03:17:17:003	16	Brian Stoker to Shalabh Mehrish on October the 31st,	03:18:51:769	16	
03:17:22:909	17	2006.	03:18:51:770	17	
03:17:24:411	18	Sir, do you have any recollection of	03:18:51:771	18	
03:17:25:779	19	sending this e-mail?	03:18:51:772	19	
03:17:27:080	20	A. No.	03:18:51:773	20	
03:17:28:615	21	Q. Do you have any reason to believe you	03:18:51:774	21	
03:17:29:682	22	didn't?	03:18:51:775	22	
03:17:30:250	23	A. No.	03:18:51:776	23	
03:17:31:118	24	Q. Do you recall whether you received the	03:18:51:777	24	
03:17:33:153	25	e-mail just below it from Mr. Mehrish?	03:18:51:778	25	
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03:17:35:956	1	Stoker - May 3, 2012	03:18:51:780	1	Stoker - May 3, 2012
03:17:37:491	2	A. No, but I'm sure I received it.	03:18:51:781	2	CERTIFICATE OF DEPONENT
03:17:38:925	3	Q. All right. And in that e-mail,	03:18:51:782	3	I hereby certify that I have read and examined the
03:17:42:595	4	Mr. Mehrish references -- the subject is Credit	03:18:51:783	4	foregoing transcript, and the same is a true and
03:17:46:432	5	Swiss high grade ABS CDO where else approvals, CDO	03:18:51:784	5	accurate record of the testimony given by me.
03:17:50:103	6	squareds. We are concerned about potential negative	03:18:51:785	6	Any additions or corrections that I feel are
03:17:53:407	7	selection of the portfolio. What do you think?	03:18:51:786	7	necessary, I will attach on a separate sheet of
03:17:56:042	8	Do you recall him, Mr. Mehrish, making	03:18:51:787	8	paper to the original transcript.
03:17:59:712	9	that inquiry to you?	03:18:51:788	9	
03:18:01:582	10	A. No. He wouldn't inquire to me.	03:18:51:789	10	
03:18:03:883	11	Q. Well, he copied you on it, did he not?	03:18:51:790	11	_____ Signature of Deponent
03:18:06:686	12	A. He did copy me.	03:18:51:791	12	
03:18:07:988	13	Q. And you responded, did you not?	03:18:51:792	13	I hereby certify that the individual representing
03:18:10:791	14	A. I responded.	03:18:51:793	14	himself/himself to be the above-named individual,
03:18:11:424	15	Q. All right. And your response was pick	03:18:51:794	15	appeared before me this ____ day of _____,
03:18:13:493	16	your poison, assets you don't like or lower equity	03:18:51:795	16	2012, and executed the above certificate in my
03:18:17:164	17	returns; is that right?	03:18:51:796	17	presence.
03:18:19:232	18	A. Yes.	03:18:51:797	18	
03:18:20:767	19	Q. Thank you.	03:18:51:798	19	
03:18:26:406	20	MR. INFELISE: Why don't we just take a	03:18:51:799	20	_____ NOTARY PUBLIC IN AND FOR
03:18:27:207	21	short break, and I think we are ready to wrap	03:18:51:800	21	
03:18:30:243	22	up.	03:18:51:801	22	
03:18:30:443	23	THE VIDEOGRAPHER: We are going off the	03:18:51:802	23	_____ County Name
03:18:31:111	24	record at 12:49 p.m.	03:18:51:803	24	
03:18:33:042	25	(Discussion off the record.)	03:18:51:804	25	MY COMMISSION EXPIRES:

# EXHIBIT 16